GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2034
ANSWERED ON:31.07.2015
Amendment in Foreign Exchange Regulation
Thakur Shri Anurag Singh

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government is considering to change the Foreign Exchange Regulation to make investments a seamless affair and to attract greater foreign capital inflows; and
(b) If so, the details thereof, and the time by which the said regulations are likely to be changed?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) & (b) Foreign Exchange Management Regulations are reviewed, on an ongoing basis, with a view to make investments a seamless affair and to attract greater foreign capital inflows. The Government reviews foreign investment policy from time to time to ensure that India remains increasingly attractive and investor-friendly. Enabling changes/ amendments in the Foreign Exchange Management Regulations are notified by Reserve Bank to implement such policies. Some of the recent measures taken include increase in applicable sectoral cap in insurance sector from 26 % to 49 % (composite cap), permitting FDI in Pension sector upto 49% (composite cap), permitting FDI in certain areas in railway infrastructure upto 100% automatic route, increase in FDI in defence sector from 26% to 49%, subject to certain conditions. Every Regulations made under Foreign Exchange Management Act is laid before each House of Parliament as soon as they are made.